

M/043/017

From: Kurt Seel
To: Burns, Joelle
Date: 2/13/01 3:49PM
Subject: Proposed reclamation Contract and Cert of Deposit for M/043/017, Rock Products of Utah inc., Browns

Joelle,

Thanks for forwarding the proposed reclamation contract and proposed Zions bank CD in the above matter. I have the following comments.

We developed a model side letter for use with certificates of Deposit, a rough copy of which I am attaching. I believe Wayne revised this version slightly.

The CD should be 1) owned by the person putting it up, but 2) held by the bank "for the benefit of DOGM". From this perspective the CD is acceptable. However, there can only be one signature on the signature card. With two signatories required the operator can still block DOGM even if DOGM successfully follows the forfeiture procedure. The operator's due process protection is the Board hearing re forfeiture. It cannot still maintain control over the forfeiture of the CD. Therefore the CD side letter should be used and the signature card revised to have only one signature - the Director of DOGM. The CD side letter also explains what the bank should do with the interest which accrues.

Otherwise it looks fine. If you have any questions please contact me. Kurt Seel



State of Utah
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Michael O. Leavitt
Governor

Lowell P. Braxton
Division Director

FACSIMILE COVER SHEET

DATE: Feb 13, 2001

NUMBER OF PAGES INCLUDING THIS COVER SHEET: 11

TO: Kurt Seel
AA G

FAX NUMBER: 366-0352

FROM: Joelle

Minerals Reclamation and Development Program

PHONE: (801) 538-5291

FAX: (801) 359-3940

SUBJECT: RC + CD - Browns Cyn.
Rock Products & Utah m/043/017

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